

NON-DEPARTMENTAL

This budgetary unit provides for the cost of government services that are not directly attributable to a specific City department. These items include liability and property insurance coverage, employee training, and support of City boards and commissions.

Further information on non-departmental expenditures is provided below.

PERSONNEL COSTS – The cost of worker's compensation insurance (\$231,400) was previously accounted for in the various departmental budgets. It is now included in the non-departmental section of the budget.

The cost of the City's Employee Recognition Program (\$70,000) is included in this classification. Program expenditures include pay increases for distinguished performance, the annual Employee Recognition Day, the Service Awards Program, and the holiday party and gift certificates.

The other major expenditure in this classification is a supplemental payment made by the City to the State of Maryland Employees' Retirement System. This payment is in addition to the City's annual pension contribution made on behalf of civilian personnel. In the mid 1990s, the General Assembly revised the billing practices for the Employee's Retirement System. The legislation allowed the City to amortize its funding deficit over a period of 40 years. The payment for FY08 is \$71,300.

The cost of the City's Employee Assistance Program is also accounted for in this category.

SERVICES AND CHARGES – The City's cost for liability and property insurance coverage comprises the majority of expenditures in this category. The City purchases all insurance coverage, with the exception of health and worker's compensation, through the Local Government Insurance Trust. The budget includes \$138,400 for the City's liability, property, and auto insurance coverage.

The other major expenditure included in this classification is the cost of the Day Laborer site on New Hampshire Avenue. The non-departmental section of the budget includes \$60,000 for the site's operation. Other costs are accounted for in the Public Works Department. The full cost of the Day Laborer site will be offset by a contribution from Montgomery County.

Funding in the amount of \$30,000 is included for contracts that are non-departmental in nature. The budget also includes \$15,000 for the purchase of supplies that will be needed by staff during an emergency operation.

MISCELLANEOUS – The cost of the City's local supplement to the State Homeowner's Property Tax Credit is reflected in this classification. This State program allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In keeping with the City Council's commitment to provide affordable housing in Takoma Park, the amount of the supplement has increased over time. In FY06, the City Council increased the supplement from 30 percent of the State tax credit to 50 percent. The budget includes \$110,000 for the City's local supplement.

This classification also includes \$50,000 for employee training.

One-half of one percent of revenues is set aside as a general contingency account to cover unexpected operating expenses during the fiscal year. \$90,355 is included for this purpose.

The “miscellaneous” classification also provides for support of City committees and commissions and community activities. Funding is provided for the Arts and Humanities Commission, the Public Safety Citizens’ Advisory Committee, Fourth of July activities, and community festivals.

Other expenditures included in the “miscellaneous” category include the City’s tuition reimbursement program, the payout of accrued leave to employees separating from the City’s employment, and bad debt expense.

UNAPPROPRIATED RESERVE – In accordance with the Charter of the City of Takoma Park, two percent of revenues is set aside in an unappropriated reserve fund to cover unexpected costs. This contingency account includes \$361,421.

EQUIPMENT REPLACEMENT RESERVE – A contribution of \$500,000 to the Equipment Replacement Reserve (ERR) is proposed to ensure funding for the future purchase of equipment and vehicles. This contribution will be processed as a transfer from the General Fund undesignated reserve to the Equipment Replacement Reserve. It is shown in the budget as expenditure for disclosure purposes. This represents an increase of \$200,000 from FY07.

Budget Comments

Worker’s compensation costs were previously accounted for in each departmental budget. They are now included in the non-departmental section of the budget. The cost of the insurance in FY08 cost is \$231,400.

The contribution to the Equipment Replacement Reserve is \$500,000, an increase of \$200,000 from FY07. Additional items have recently been included in the Equipment Replacement Reserve program, necessitating a higher level of funding.

FY 2008 BUDGET SUMMARY - NON-DEPARTMENTAL







<u>Division</u>	<u>Audited FY04</u>	<u>Audited FY05</u>	<u>Audited FY06</u>	<u>Budgeted FY07</u>	<u>Estimated FY07</u>	<u>Proposed FY08</u>
Non-Departmental						
Personnel Costs	90,596	88,818	84,943	148,000	132,893	372,700
Supplies	0	0	0	29,000	29,000	15,000
Services and Charges	209,590	262,118	137,892	211,500	201,665	228,400
Miscellaneous	236,031	256,530	168,534	270,295	215,185	307,105
Unappropriated Reserve	69,900	0	3,656	305,182	15,000	361,421
Equipment Replacement Reserve	0	0	0	300,000	300,000	500,000
TOTAL--NON-DEPARTMENTAL	606,117	607,466	395,025	1,263,977	893,743	1,784,626

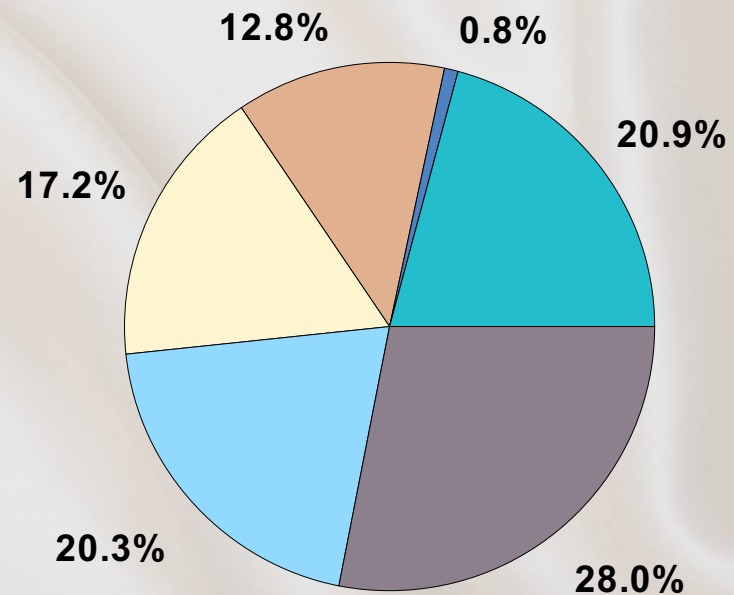
Note: \$100,000 was allocated to the Equipment Replacement Reserve in FY03, FY05, and FY06. The City's audit reflects this as a transfer from the General Fund undesignated reserve to the Equipment Replacement Reserve. The FY07 contribution of \$300,000 will be handled in the same manner. For budgetary purposes, the transfer is shown as an expenditure for disclosure purposes.

FY 08 Budget

Non-Departmental By Cost Center

TOTAL = \$1,784,626

	Personnel - \$372,700
	Supplies - \$15,000
	Svcs & Charges - \$228,400
	Misc - \$307,105
	Unappropriated Reserve - \$361,421
	Equip Replacement Res - \$500,000



FY 07 Budget

Non-Departmental By Use

TOTAL = \$1,784,626

